REMARKS

Claims 1-5 and 7-20 are pending in the present application. The Examiner has rejected claims 1-5 and 7-20.

Rejections Under 35 USC § 112

The Examiner has rejected claim 9 under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 9 recites the limitation "second value" in line 5 of Claim 9. There is insufficient antecedent basis for this limitation in the claim.

Applicant has amended claim 9 to overcome this rejection.

The Examiner has also rejected claims 19 and 20 under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Applicant's claims limitations require the "vending machine protocol program to accept notes only up to a first value...and a processor controlling the acceptance and recognition of notes up to a second value exceeding said first value". See, for example, Claim 19, lines 4, 5, 11 and 12.

It is not clear how the VMC, which controls the bill validator, can limit the acceptance of notes up to a first value, while still allowing the processor controlling the bill validator to accept bills up to a second value larger than the first value since the bill validator is being controlled by the VMC. For purpose of examination, it will be assumed that Applicant is referring to increasing the value of the largest denomination accepted by the machine by installation of a validator with new software that accepts the second, larger value.

Applicant respectfully disagrees. As amended, claims 19 and 20 now include the processor or the control program for controlling the validation of bills up to the second value. The VMC is only programmed for bills up to a first value. The claimed systems do not require that the standard VMC programming be changed to accept bills up to a second larger value because the processor or control program handles those bills. Thus, there is no inconsistency in the claim language and the rejection is overcome.

Rejections Under 35 USC § 103

The Examiner has rejected claims 8-11 under 35 U.S.C. 103(a) as being unpatentable over Jones et al. (US 6,363,164 B1) in view of Ramachandran et al (US 6,941,274), and further in view of Partyka et al. (US 5,941,363).

Applicant respectfully disagrees. The combination suggested by the Examiner fails to teach, describe, or suggest all of the elements of the method of amended independent claim 8. For example, claim 8 includes the limitation of using a bill acceptor/dispenser for storing selected notes in a dispensable fashion for change in a vending machine transaction and storing all other notes in a non-dispensable fashion. The cited combination does not disclose this element. In each of the references, all the notes are sent to a single location. None of the references teach the dispensing of change as part of a vending machine transaction. Jones dispenses notes to a customer as part of a withdrawal transaction. There are no products vended in Jones, so there is no change dispensed in Jones. The notes to be dispensed in Jones as part of a withdrawal come from a dispensing unit 22 that is manually filled.. There is no teaching in Jones of storing some notes in a dispensable fashion and other remaining notes in a nondispensable fashion. All notes received by Jones are stored only in nondispensable fashion.

Similarly in Ramachandran, there is a note storage area that is used for dispensing notes as part of a withdrawal transaction and not as change in a vending transaction. There is no mechanism in Ramachandran where certain notes are accepted by a bill

acceptor/dispenser and stored in dispensable fashion and the remainder stored in a nondispensable fashion.

In Partkya, there is no discussion at all of dispensing notes as change, only coins. Thus there is no teaching of accepting notes and storing some in a dispensable fashion and the remainder in a non-dispensable fashion.

The Examiner further rejected claims 1-5, 7 and 12-20 under 35 U.S.C. 103(a) as being unpatentable over Jones et al. in view of Ramachandran, further in view of Partyka and still further in view of Katou et al. (US 2004/0182677 A1).

Applicant respectfully disagrees. The combination suggested by the Examiner fails to teach, describe, or suggest all of the elements of the method of amended independent claims 1, 7, and 18. For example, independent claims 1, 7, and 18 include the element of dispensing notes from said note hopper as change in a vending transaction. This element is not taught by any of the cited references nor by their combination. The Examiner contends that Katou teaches this element and states that Katuou discloses a vending machine in the form of automated teller machine (101), having a note acceptor-dispenser (1), a bill discriminator (30), a note box (60), a note hopper (40) that temporarily stores said notes, and a transportation unit (501, 502, 503, 504) in a combination such that said notes are transported to either a note box, a temporary storage or escrow box, or through the bill discriminator. However, this does not teach the elements of independent claims 1, 7, and 18. The note hopper 40 of Katou is never used for making change in a vending transaction. Instead, it temporarily holds deposited bills in case the transaction is reversed or cancelled. Then it returns those bills (all and only those bills) to the user. There is no change making operation in Katou.

With respect to claims 19 and 20, the Examiner states that it "would have been obvious to upgrade a vending machine, which accepts coins or bills up to a one value, and increase the capability of the vending machine to accept bills of a higher value by installing a

bill validator having a processor controller that allows bills of a second, higher maximum value, since prices of items can be expected to rise over time, thus requiring larger denominations to be transacted during a vend". What the Examiner's argument fails to take into consideration is the non-obvious and novel transformation of a vending machine to accept larger denominations without changing the standard VMC. As noted in the background of the application, systems have been developed for accepting larger denominations. However, none of these systems can still take advantage of the existing VMC. As noted in the application in paragraph 11 "Accordingly, a need arises for a vending machine money handling system having a bill acceptor-dispenser that will allow the bill acceptor-dispenser to be incorporated into a vending machine operating on a standardized vending machine protocol to allow the vending machine to accept larger denominations of bills and dispense change in the form of coins and/or currency according to the amount of change to be dispensed and the availability of specific denominations of coins and currency."

The combination suggested by the Examiner does not teach the invention of claims 19 and 20. For example, the Examiner's proposed combination does not teach, describe, or suggest a standardized vending machine protocol, which includes a program only allowing acceptance of notes up to a first value. The references also do not address a Control Program for validating and accepting notes of higher denominations, i.e. notes up to a second value that is greater than the first value which can be accommodated by a standardized vending machine protocol.

Double Patenting Rejections

The Examiner has rejected claims 1-5, 7, 8 and 12-20 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-32 of U.S. Patent No. 6,742,644 B1, in view of Saffari et al. (US 5,737,418).

The Examiner has rejected claims 9-11 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-32 of U.S. Patent No. 6,742,644

B1, in view of Saffari et al. (US 5,737,418) and further in view of Jones et al. (US 6,363,164 B1).

The Examiner has rejected claims 1-5, 7, 8 and 12-20 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-6 of U.S . Patent No. 6,957,732 B2.

The Examiner has rejected claims 9-11 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 6,957,732 B2 in view of Jones et al. (US 6,363,164 B1).

The Examiner has further provisionally rejected claims 1-5, 7, 8 and 12-20 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 7-26 of copending Application No. 11/214,237.

The Examiner has also provisionally rejected claims 9-11 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 7-26 of copending Application No. 11/214,237, in view of Jones et al. (US 6,363,164 B1).

The Examiner has provisionally rejected claims 1-5, 7, 8 and 12-20 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 26-30 of copending Application No. 10/840,129.

The Examiner has provisionally rejected claims 9-11 on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 26-30 of copending Application No. 10/840,129, in view of Jones et al. (US 6,363,164 B1).

Applicants have prepared and file concurrently herewith TERMINAL DISCLAIMERS under 37 CFR 1.321(c) to overcome these double patenting rejections, along with the TERMINAL DISCLAIMER fees.

Applicants also submit herewith a PETITION FOR EXTENSION OF TIME to extend the due date for response to the outstanding OFFICE ACTION to December 18, 2007. Applicants also tender the government fees for this extension.

In view of the above amendments and remarks, applicants respectfully request that this application be reviewed and that the claims, as amended, be allowed.

Please charge any deficiency in fees or credit any overpayments to Deposit Account No. 07-1896.

Respectfully submitted,

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